

Committee: Senate Taxation

Wednesday, February 16, 2022 10:00 AM

Roll Call

Present: Sen. Castleberry, Sen. Klumb, Sen. Herman Otten, Sen. Stalzer,
Sen. Symens, and Sen. Johns

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Senator Johns

MOTION: TO APPROVE THE MINUTES OF WEDNESDAY, FEBRUARY 09TH

Moved by: Klumb
Second by: Symens
Action: Prevailed by voice vote

MOTION: TO INVOKE RULE 7-1.5. CONSIDERATION OF MATTERS NOT POSTED.

Moved by: Stalzer
Second by: Novstrup
Action: Prevailed by Two-Thirds Majority (7-0-0-0)

Voting Yes: Castleberry, Klumb, Novstrup, Herman Otten, Stalzer, Symens, and Johns

SB 114 : provide a refund for the contractor's excise tax for certain residential housing projects.

Presented by: Senator Herman Otten, District 6
Proponents: Representative Roger Chase, District 22
Tim Dougherty, South Dakota Home Builders Association, Pierre
Larry A Nelson, South Dakota Municipal League, Fort Pierre
Larry A Nelson, Economic Development Professionals Association, Mitchell
Julie M Johnson, South Dakota Nonprofit Network, Pierre
Anna Hays, self, Rapid City
Opponents: Doug Schinkel, Department of Revenue

MOTION: REFER SB 114 TO SENATE COMMITTEE ON APPROPRIATIONS DO PASS

Moved by: Klumb
Second by: Stalzer
Action: Prevailed by roll call vote (7-0-0-0)

Voting Yes: Castleberry, Klumb, Novstrup, Herman Otten, Stalzer, Symens, and Johns

SB 25 : provide for the taxation of marijuana.

Presented by: Senator Jim Stalzer, District 11
Proponents: Ned Horsted, Cannabis Industry Association of SD, Sioux Falls

MOTION: DO PASS SB 25

Moved by: Klumb

Second by: Castleberry
Action: Prevailed by Majority Members Elect (6-0-1-0)

Voting Yes: Castleberry, Klumb, Novstrup, Stalzer, Symens, and Johns

Excused: Herman Otten

SB 166 : reduce the rate of gross receipts tax on certain food.

Presented by: Senator Reynold Nesiba, District 15 (Handout(s) 1)

Proponents: Sister Lynn Marie Welbig, Presentation Sisters of Aberdeen, Aberdeen
Chase Jensen, Dakota Rural Action, Brookings
Raymond Ring, self, former legislator (Handout(s) 2)
Dr Evert Van der Sluis, Self, Brookings
Kathy Brechtelsbauder, self, Sioux Falls
Ellen Doerr, self, Sioux Falls

Opponents: Doug Schinkel, Department of Revenue
Lindsey Riter-Rapp, National Federation of Independent Business,
Indianapolis, IN
William M Van Camp, South Dakota Retailers Association, Pierre

MOTION: AMEND SB 166

166F

On page 1, line 10, of the Introduced bill, after "SECTION:" delete "During the period beginning July 1, 2022, and ending June 30, 2022, the tax imposed under § 10-45-2 on gross receipts from the sale of SNAP items is four percent.

During the period beginning July 1, 2023, and ending June 30, 2023, the tax imposed under § 10-45-2 on gross receipts from the sale of SNAP items is three percent.

During the period beginning July 1, 2024, and ending June 30, 2024, the tax imposed under § 10-45-2 on gross receipts from the sale of SNAP items is two percent.

During the period beginning July 1, 2025, and ending June 30, 2025, the tax imposed under § 10-45-2 on gross receipts from the sale of SNAP items is one percent.

"

On page 1, line 18, of the Introduced bill, delete " 2026" and insert " 2022"

On page 1, line 19, of the Introduced bill, delete " SNAP items" and insert " food and food ingredients"

On page 2, line 16, of the Introduced bill, after "tobacco," insert " candy, soft drinks,"

On page 3, line 16, of the Introduced bill, after "consideration;" delete "

(13) "SNAP item," any item eligible for purchase using an electronic benefit transfer card issued pursuant to 7 U. S. C § 2016 (2018)."

On page 3, line 19, of the Introduced bill, delete "(14)" and insert "(13)"

On page 3, line 23, of the Introduced bill, delete "(15)" and insert "(14)"

Moved by: Klumb

Second by: Symens

Action: Prevailed by voice vote

MOTION: DEFER SB 166 TO THE 41ST LEGISLATIVE DAY

Moved by: Klumb

Second by: Stalzer

Action: Prevailed by Majority Members Elect (5-2-0-0)

Voting Yes: Castleberry, Klumb, Novstrup, Stalzer, and Johns

Voting No: Herman Otten and Symens

SB 206 : provide for the assessment of certain agricultural land as noncropland.

Presented by: Senator Troy Heinert, District 26

Proponents: Jeremiah M. Murphy, South Dakota Stockgrowers Association, Rapid City
Mitch Richter, South Dakota Farmers Union, Huron
Senator Ryan Maher, District 28
Paul Lepisto, South Dakota Division of the Izaak Walton League of America, McCook Lake

Nancy Hilding, self, Black Hawk
Opponents: Michael Houdyshell, Department of Revenue
Matthew McCaulley, South Dakota Corn Growers Association, Sioux Falls
Matthew M Bogue, South Dakota Farm Bureau Federation, Huron (Handout(s) 4)
William M Van Camp, South Dakota Retailers Association, Pierre

MOTION: AMEND SB 206

206A

On page 1, line 1, of the Introduced bill, delete "provide for the assessment of certain agricultural land as noncropland" and insert " make an appropriation to the Department of Revenue to mitigate county tax losses due to reclassification of certain croplands"

On the Introduced bill, delete everything after the enacting clause and insert:
"

Section 1. There is hereby appropriated from the general fund the sum of \$25,000,000 to the Department of Revenue, for purposes of providing funds to counties for any increased tax burden that occurs solely due to implementation of the enrolled version of House Bill 1039 as enacted by the Ninety-Seventh Legislature of the State of South Dakota. No more than \$8,316,666.66 may be distributed in any single calendar year. A portion of the appropriated sum not to exceed \$50,000 may be used for the administrative costs of this Act.

Section 2. The secretary of the Department of Revenue shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act.

Section 3. Any amounts appropriated in this Act not lawfully expended or obligated by June 30, 2027, shall revert in accordance with the procedures prescribed in chapter 4-8."

Moved by: Herman Otten
Second by: Klumb
Action: Prevailed by voice vote

MOTION: DEFER SB 206 TO THE 41ST LEGISLATIVE DAY

Moved by: Novstrup
Second by: Klumb
Action: Prevailed by Majority Members Elect (5-2-0-0)

Voting Yes: Klumb, Novstrup, Herman Otten, Stalzer, and Symens

Voting No: Castleberry and Johns

MOTION: ADJOURN

Moved by: Klumb
Second by: Novstrup
Action: Prevailed by voice vote

Peggy Laurenz, Committee Secretary

/s/ TIMOTHY R. JOHNS
Timothy R. Johns, Chair